

## Controversial fiscal policies (United Kingdom) and banking sector woes injected further volatility into global markets

- The S&P500 index lost -2.9% in the past week (-25% YtD), with all sectors, excluding the Energy sub-index, ending in negative territory. The likelihood of oil production cut by the OPEC+ has increased, in order to support oil prices. Third-quarter earnings season will begin during the second half of October, with consensus expectations of +3% year-over-year EPS growth, though -3% excluding the contribution of energy companies (+115%).
- The Eurostoxx index declined by -1% wow (-24% YtD), with euro area banks underperforming by a wide margin. The SX7E lost -5.5%, following press reports that Credit Suisse is looking to raise capital in order to support its plan to split the investment bank arm into three units. Banks' valuations have fallen significantly year-to-date, with PBV ranging from 0.2x to 0.6x (see graph below), while Credit Suisse's credit default swaps widened significantly to 462 basis points, from 123 basis points on September 23<sup>rd</sup>.
- The FTSE100 index decreased by -1.8% wow (-7% YtD), as the UK Government's Growth Plan, which includes broad-based, unfunded, reductions and cancellations of planned increases in taxes and social contributions, initially triggered a sharp sell-off in Gilts and the pound. UK domestic-focused stocks underperformed, with the FTSE250 index declining by -4.5% wow (-27% YtD). Estimates from UK's HM Treasury place the overall cost at £161bn or 6.6% of UK GDP over the next 5 years. The S&P ratings agency cut the outlook for its AA credit rating for UK sovereign debt to negative, from stable due to Government's unfunded tax cut plans.
- In order to restore orderly market functioning, the Bank of England launched an emergency intervention, announcing that will purchase long-dated UK government bonds from September 28<sup>th</sup> to October 14<sup>th</sup>, on whatever scale is necessary. Government bond interest rates retreated following the temporary BoE support, though Gilt/UST and Gilt/Bund long-term rate differentials remain wider compared with one month ago by circa 60 and 70 basis points, respectively.
- The Bank of England has postponed the beginning of Gilt sale operations that were due to commence next week. The BoE holds circa £840B of domestic government bonds or 34% of UK GDP (BOJ: 97% of GDP, ECB: 33%, FED: 23%). The latest developments emphasize that the process of balance sheet unwinding could entail significant volatility regarding the transmission to medium and longer-term interest rates.
- Economic data reinforced expectations for aggressive monetary tightening. Euro area inflation climbed to 10% year-over-year in September, an all-time high, from 9.1% in August. Aggressive interest rate hikes may cause some pain to the economy, as Fed Chair Powell highlighted in the latest FOMC meeting. Based on OECD's interim projections, real GDP growth is expected to slow sharply in 2023 (US: +0.5% from +1.3% in 2022, euro area: +0.3% from +3.1%), whereas the distribution of growth risks is to the downside.
- After a turbulent week, risk and safe-haven assets kicked off Monday with gains. On Monday, the UK Government made a U-turn on its plan to abolish the additional rate of income tax for the highest earners. The specific item represents only circa £3B of the Growth Plan policy decisions.

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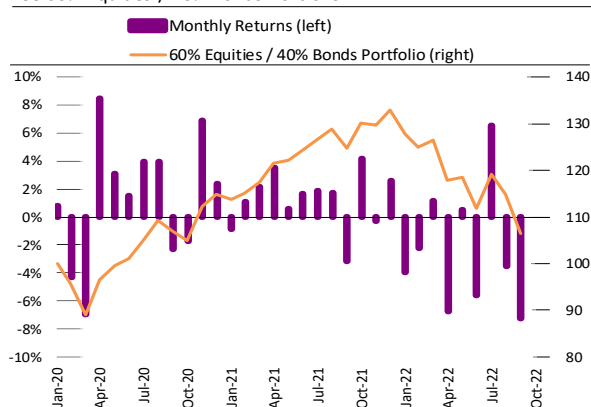
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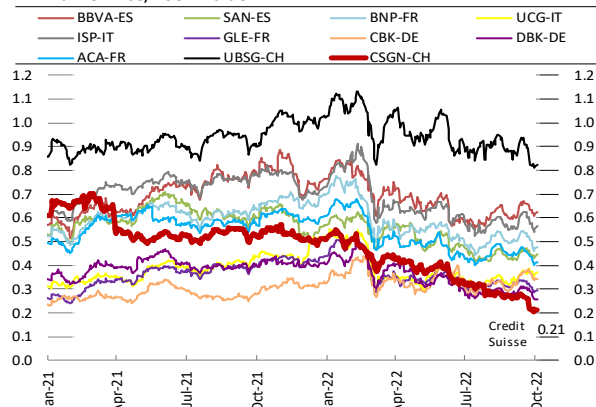
Charts of the week

US 60% Equities / 40% Bonds Portfolio



Source: NBG Research, US Bonds Index includes Treasuries, Government related and Investment Grade Corporate Bonds

EA Banks Price/Book Value



Source: NBG Research

### US housing market cooling down continues

- **The latest data on residential construction were mixed, with the view for a continuing slowdown in the housing market remaining in place overall.** In the event, housing starts rose by 12.2% mom in August (-0.1% yoy), to 1575k (annualized rate), above expectations for 1445k. On the other hand, building permits decreased by 8.5% mom (-13.0% yoy) in August to 1542k (annualized rate), a 2-year low and below consensus estimates for 1610k. Note that long standing supply chain issues have contributed to an accrual of homes remaining in the phase of construction, at 1.70mn (annualized rate) in August 2022, a record (since 1970) high. That development, alongside a cloudy outlook for demand, is likely a restraining factor for the commencement of new housing projects.
- **Regarding demand, existing home sales fell by 0.4% mom in August** (-19.9% yoy), to 4.80mn (on an annualized basis), the lowest since November 2015 excluding particularly depressed readings at the onset of the pandemic (albeit above consensus estimates for 4.70mn). The latest reading is compared with a peak of 6.49mn in January 2022 and a long term (since 1990) average of 4.95mn. In a contrarian note, new home sales increased by 28.8% mom in August (-0.2% yoy), to 685k (average of 701k since 1990 | consensus: 500k). It should also be noted though that new home sales often exhibit large volatility from month to month, thus caution is warranted in putting too much weight on the latest rise as indicative of the underlying trend. In the event, the National Association of Home Builders (NAHB) survey index – that captures homebuilders' confidence for new home sales – fell significantly for a 9<sup>th</sup> consecutive month, by 3 pts to 46, the lowest since May 2014 excluding particularly depressed readings at the onset of the pandemic (a reading below 50 indicates a negative stance).
- **On valuations, the median existing home sales price eased for a 2<sup>nd</sup> consecutive month in August**, -2.4% mom (+7.7% yoy) from -3.5% in July (+9.5% yoy), albeit still nominal levels exceed by 46% the respective ones in January 2020. Recall also that in July, the S&P CoreLogic Case-Shiller 20-City home price index had fallen by 0.4% mom, with the annual pace of growth partially easing to +16.1% from +18.7% in June (still c. +45% compared with January 2020). Notably, construction costs, the surge of which (due to the international supply chain crunch regarding building materials, combined with the sharply higher international commodity prices) was a major factor for the increase in prices in the past 2½ years, have posted some stabilization recently. In the event, prices paid for goods used in residential construction, have fallen by 2.4% cumulatively in August and July, albeit still at +46% versus a trough in April 2020.
- **Finally, higher mortgage interest rates, due to monetary policy tightening, have also been an important factor for the housing market, via limiting the capacity of households to finance new home purchases.** In the event, according to data from Freddie Mac, the 30-year fixed mortgage rate stood at 6.70% for the week ending on September 29<sup>th</sup>, compared with a trough of 2.77% in early-August 2021 (4.0% on average since 2010). In that context, mortgage applications have posted a substantial easing, according to the Mortgage Bankers Association (-58.8% for the week ending September 23<sup>rd</sup>, compared with late-January 2022).

### Euro area inflation surprised to the upside anew

- **According to the “flash” estimate, the annual growth of CPI reached a new record (since 1997) high in September, at 10.0% from 9.1% in August.** Recall that a substantial acceleration was expected, *inter alia* due to temporary government measures in Germany (intervention to lower the cost of public transportation and a reduction of taxes in fuels), coming to an end as of September 1<sup>st</sup> (the German CPI stood at 10.9% yoy from 8.8% yoy in August). Energy prices rose by 3.0% mom and as a result, the annual growth accelerated to 40.8% from 38.6% in August (both the monthly and the annual paces of growth are reported on a not-seasonally adjusted basis), contributing circa 4.2 pps to the headline's year-over-year increase. At the same time, an acute momentum remained in place for the prices of food, alcohol & tobacco (+1.0% mom | +1.1% mom on average so far in 2022 versus an average of +0.2% mom since 1998), leading the annual growth to 11.8%, also the highest on record, from 10.6% previously (2.5 pps contribution to headline).
- Core inflation, which excludes the effects of energy and food components, was strong in September, up by 1.0% mom, mostly due to the non-energy industrial goods component. The latter increased by 2.8% mom, above norm (a relatively strong +2.3% mom is recorded on average in September of each year since 2001 in the aftermath of summer sales). Services prices fell by 0.1% mom, albeit also being an above-norm reading (-0.7% mom on average in September of each year since 2001). In all, the annual growth of core CPI accelerated sharply, by 0.5 pps to 4.8% in September.

### Euro area bank lending remained strong in August

- **The annual pace of growth of overall private sector borrowing from commercial banks, accelerated by 0.4 pps in July, to +6.7% yoy, the highest since December 2008.** Regarding the two major private sector components, they performed as follows: Loan growth to households (adjusted for sales and securitizations) was broadly stable at +4.5% yoy (lending for house purchases: +5.2% yoy in non-adjusted for sales and securitizations terms | +3.4% yoy for consumer credit). At the same time, the annual growth of loans to non-financial corporations (NFCs) accelerated sharply, by 1.1 pps to +8.7%, the highest since January 2009 and with a robust net monthly flow (+€67.2 bn, versus an average of +€12.9 bn since 2003). Recall that country-wise, the annual growth rate of loans to non-financial corporations stood at +12.7% in Germany, +8.7% in France, +5.3% in Italy and +4.2% in Spain.

### China's PMIs suggest that the subdued momentum for business activity continues

- **PMIs posted mixed changes in September, hovering close to the expansion/contraction threshold of 50.0.** In the event, the Caixin manufacturing PMI was down by 1.4 pts to 48.1 (consensus: 49.5). At the same time, the “official” manufacturing PMI, i.e. the one from the National Bureau of Statistics (NBS) of China, rose by 0.7 pts to 50.1 (consensus: 49.6). The official nonmanufacturing PMI fell by 2.0 to 50.6, with the services sub-index shedding 3.0 pts to 48.9 (below 45 for PMIs in contact intensive segments such as retail sales, catering and air transport services). On the other hand, the construction sub-index rose by 3.7 pts to 60.2, with the NBS noting strong infrastructure building on the back of policy support.

## Equities

- **The standard 60% equity / 40% bond portfolio return was -7% month-over-month in September, recording its biggest monthly drop since March 2020 (see graph page 1). Spiking interest rates, growing recession concerns, controversial fiscal policies and single-name woes are expected to dominate Q4, albeit with valuations having retreated significantly.**

**Equity markets declined further in the past week as risk appetite remained weak.** Overall, the MSCI ACWI ended the week down by 2.6% (-27% ytd), with Emerging markets (-3.3% wow | -29% ytd) underperforming their Developed Markets peers (-2.5% wow | -26% ytd). The S&P500 declined by 2.9% wow (-25% ytd), posting its 6<sup>th</sup> week with losses out of the past 7, falling back to November 2020 levels (3586). Notably, the index recorded in September its largest monthly decrease since March 2020 (-9.3% mom). Nevertheless, it entered the current week on a positive note, with a relief rally on Monday (+2.6%). Regarding sectors, Consumer Durables & Apparel led the decline (-9.6% wow), with Nike shedding 14.3% wow, as higher inventory (up by +44% yoy worldwide | +65% yoy in North America) weighed on earnings.

On the other side of the Atlantic, the Eurostoxx fell by 0.9% (-23% ytd), with Banks underperforming significantly (-5.5% wow), due to, *inter alia*, concerns related to Credit Suisse. The company's shares declined by 2.3% wow and by as much as -12% on Monday (-60% ytd), reaching a new record-low, before regaining most part of the losses later in the day closing at -0.9%.

## Fixed Income

- **Government bond yields rose in the past week, albeit reversing course in the start of the current week as peak rate hike expectations recede.** Specifically, the US Treasury 10-year yield ended the week up by 11 bps to 3.80% while it declined by 15 bps on Monday to 2.65%. At the same time, the 2-year yield declined by 2 bps wow and by further 9 bps on Monday to 4.20%. In the United Kingdom, the yield of the 10-year Gilt ended the week up by 37 bps wow to 4.14%, exhibiting though increased volatility having reached 4.50% intra-week, with the upward trend reversing following the Bank of England's announcement that will purchase long-dated UK government bonds (see Graph 3). The yield declined by 18 bps on Monday to 3.96%. In Germany, the 10-Year yield rose by 13 bps wow to 2.13%, albeit declining by 20 bps on Monday. Periphery government bond yields (Italy, Spain) followed a similar path.

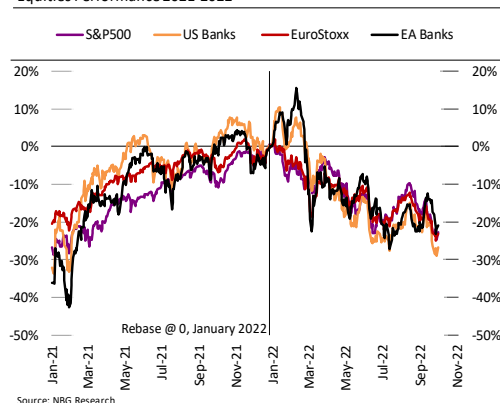
**Corporate bond spreads widened in the High Yield (HY) spectrum, in account of weak risk appetite.** In the event, US HY spreads rose by 31 bps to 543 bps and their euro area counterparts by 70 bps to 625 bps. In the Investment Grade spectrum, the USD spreads increased by 16 bps to 167 bps and their EUR counterparts by 23 bp to 221 bps.

## FX and Commodities

- **In foreign exchange markets, the British pound briefly reached an all-time low against the US Dollar during Tuesday September 28<sup>th</sup> (GBP/USD 1.04), before a recovery led by BoE's intervention.** In all, the Sterling managed to close the week with gains (+2.4% wow), which continued on Monday (+1.0% to GBP/USD 1.13) following also the cancellation of a planned cut in the top rate of income tax. Support was provided, *inter alia*, by expectations for a more aggressive tightening of monetary policy by the BoE, with investors pricing in a Bank Rate of 5.75% by mid-2023 from 2.25% currently and versus expectations for 4.75% a week ago. Meanwhile, the euro took a breather against the US Dollar, +0.9% in the past week and further +0.2% on Monday, to \$0.982.

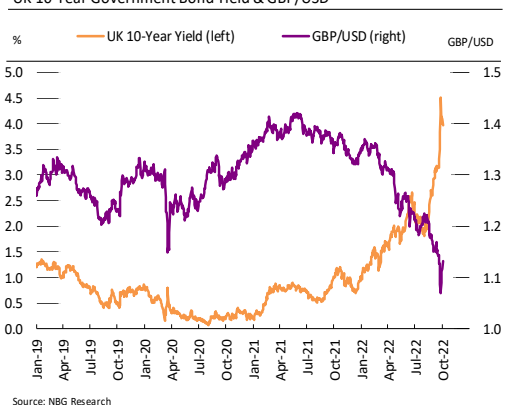
**In commodities, oil prices rose, with demand concerns being outweighed by supply issues, namely, *inter alia*, possible supply cuts by OPEC+.** Reports that these cuts could be as much as 1 million barrels per day, led to more gains on Monday October 3<sup>rd</sup>. In all, the Brent was up by 2.1% in the past week and further by 1.0% on Monday to \$88.9/barrel and the WTI by 1.0% and 5.2%, respectively, to \$83.6/barrel (next OPEC+ meeting: October 5<sup>th</sup>).

Equities Performance 2021-2022



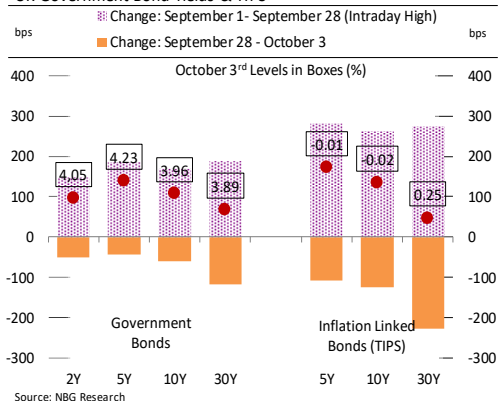
Graph 1.

UK 10-Year Government Bond Yield & GBP/USD



Graph 2.

UK Government Bond Yields & TIPS



Graph 3.

**Quote of the week:** "It would be imprudent for a stability-oriented central bank to chart the future course of interest rates on the assumption that a slowdown in demand will reduce the need for adjusting the monetary policy stance", **Member of the Executive Board of the ECB, Isabel Schnabel, September 30<sup>th</sup> 2022.**

### Interest Rates & Foreign Exchange Forecasts

10-Yr Gov. Bond Yield (%)	September 30th	3-month	6-month	12-month	Official Rate (%)	September 30th	3-month	6-month	12-month
Germany	2.13	2.15	2.25	2.25	Euro area	0.75	2.00	2.25	2.25
US	3.80	4.00	4.10	4.10	US	3.25	4.50	4.50	4.50
UK	4.14	3.32	3.50	3.55	UK	2.25	3.75	4.15	4.25
Japan	0.24	0.23	0.24	0.30	Japan	-0.10	-0.10	-0.10	-0.10

Currency	September 30th	3-month	6-month	12-month	September 30th	3-month	6-month	12-month	
EUR/USD	0.98	1.02	1.05	1.10	USD/JPY	145	144	139	135
EUR/GBP	0.88	0.88	0.88	0.88	GBP/USD	1.12	1.16	1.20	1.25
EUR/JPY	142	147	145	148					

Forecasts at end of period

### Economic Forecasts

United States	2020a	Q1:21a	Q2:21a	Q3:21a	Q4:21a	2021a	Q1:22a	Q2:22a	Q3:22f	Q4:22f	2022f
Real GDP Growth (YoY) (1)	-3.4	0.5	12.2	4.9	5.5	5.7	3.5	1.7	1.3	0.3	1.7
Real GDP Growth (QoQ saar) (2)	-	6.3	6.7	2.3	6.9	-	-1.6	-0.6	1.2	2.6	-
Private Consumption	-3.8	11.4	12.0	2.0	2.5	7.9	1.8	1.5	1.0	2.2	2.3
Government Consumption	2.5	4.2	-2.0	0.9	-2.6	0.5	-2.9	-1.8	0.9	0.9	-0.9
Investment	-2.7	13.0	3.3	-0.9	2.7	7.8	7.4	-4.5	2.5	3.1	2.6
Residential	6.8	13.3	-11.7	-7.7	2.2	9.2	0.4	-16.2	-1.4	1.1	-3.4
Non-residential	-5.3	12.9	9.2	1.7	2.9	7.4	10.0	0.0	3.4	3.5	4.5
Inventories Contribution	-0.6	-3.7	-1.7	2.1	5.4	0.1	-0.1	-2.1	-1.5	-0.3	0.6
Net Exports Contribution	-0.2	-2.0	-0.4	-1.5	-0.7	-1.9	-3.9	1.4	1.3	0.6	-1.1
Exports	-13.6	-2.9	7.6	-5.3	22.4	4.5	-4.8	17.6	7.6	2.4	5.0
Imports	-8.9	9.3	7.1	4.7	17.9	14.0	18.9	2.8	-2.1	-1.7	9.1
Inflation (3)	1.2	1.9	4.9	5.4	6.7	4.7	8.0	8.7	9.0	8.1	8.3

Euro Area	2020a	Q1:21a	Q2:21a	Q3:21a	Q4:21a	2021a	Q1:22a	Q2:22a	Q3:22f	Q4:22f	2022f
Real GDP Growth (YoY)	-6.2	-0.8	14.4	3.7	4.6	5.2	5.4	4.1	0.9	0.9	2.6
Real GDP Growth (QoQ saar)	-	-0.4	8.2	9.0	2.0	-	2.7	3.1	-0.5	0.9	-
Private Consumption	-7.8	-8.2	15.6	18.6	-0.2	3.7	-0.2	5.1	0.8	0.2	2.7
Government Consumption	1.0	-0.6	8.0	0.4	2.7	4.2	0.9	2.5	0.7	0.4	1.1
Investment	-6.6	-7.8	6.7	-2.4	15.7	4.1	-3.3	3.7	0.3	0.2	2.5
Inventories Contribution	-0.3	2.8	-2.3	-0.7	2.2	0.1	0.4	-0.2	-1.4	-1.0	0.1
Net Exports Contribution	-0.5	3.1	-0.4	0.8	-3.7	1.4	2.9	-0.7	0.3	1.7	0.3
Exports	-9.3	2.5	10.5	9.6	10.1	10.3	4.8	5.4	2.6	2.9	5.2
Imports	-8.8	-4.0	12.5	8.5	20.4	8.0	-0.9	7.4	2.1	-0.4	5.2
Inflation	0.3	1.0	1.8	2.9	4.7	2.6	6.1	8.0	9.3	8.0	7.7

a: Actual, f: Forecasts, 1. Seasonally adjusted YoY growth rate, 2. Seasonally adjusted annualized QoQ growth rate, 3. Year-to-year average % change

### 12-Month View & Key Factors for Global Markets

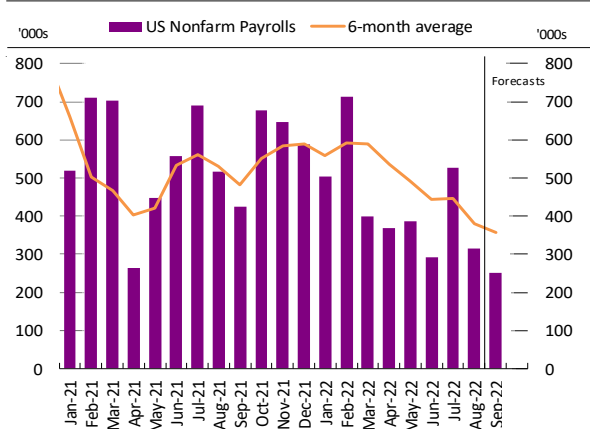
	US	Euro Area	Japan	UK
<b>Equity Markets</b>	<ul style="list-style-type: none"> <li>+ Households' balance sheets are healthy</li> <li>+ Service-oriented sectors are re-opening</li> <li>+ Sentiment (e.g. AAI) and positioning indicators are hitting extreme lows</li> <li>- Peaking profit margins</li> <li>- Recession risks are increasing</li> <li>- P/Es (Valuations) still remain above l-t means, despite the recent correction</li> </ul> <p>● Neutral/Negative</p>	<ul style="list-style-type: none"> <li>+ Still high equity risk premium relative to other regions</li> <li>+ Still loose fiscal policy in 2022 (plus RRF)</li> <li>- Geopolitical uncertainty (Ukraine-Russia, natural gas) could intensify</li> <li>- Logistic disruptions (vaccine) and renewed lockdowns in China delay the export-led recovery</li> </ul> <p>● Neutral</p>	<ul style="list-style-type: none"> <li>+ Still aggressive QE and "yield-curve" targeting by the BoJ</li> <li>+ JPY depreciation @ 20Y highs (¥130) support exporters</li> <li>- Signs of policy fatigue regarding structural reforms and fiscal discipline</li> <li>- Chinese growth deceleration</li> </ul> <p>● Neutral</p>	<ul style="list-style-type: none"> <li>+ Significant exposure to commodities</li> <li>+ Undemanding valuations in relative terms relative to other regions</li> <li>- Elevated domestic policy uncertainty</li> </ul> <p>● Neutral/Positive</p>
<b>Government Bonds</b>	<ul style="list-style-type: none"> <li>+ Valuations appear rich despite the 200bps increase, with term-premium @ 0% (1% for 2000-2015)</li> <li>+ Sizeable fiscal deficit</li> <li>+ Underlying inflation pressures under Average Inflation Targeting</li> <li>+ Fed: End of asset purchases</li> <li>- Global search for yield by non-US investors (e.g. Japan, repatriation from EM Economies) continues</li> <li>- Safe haven demand</li> </ul> <p>▲ Slightly higher yields expected</p>	<ul style="list-style-type: none"> <li>+ Valuations still appear excessive compared with long-term fundamentals</li> <li>+ ECB: End of APP purchases in June 2022, interest rate hikes in H2</li> <li>- Political Risks</li> <li>- Fragile growth outlook</li> <li>- ECB QE "stock" effect</li> </ul> <p>▲ Slightly higher yields expected</p>	<ul style="list-style-type: none"> <li>+ Sizeable fiscal deficits</li> <li>+ Restructuring efforts to be financed by fiscal policy measures</li> <li>- Safe haven demand</li> <li>- Extremely dovish central bank</li> <li>- Yield-targeting of 10-Year JGB at around 0%</li> </ul> <p>● Stable yields expected</p>	<ul style="list-style-type: none"> <li>+ Inflation expectations could drift higher due to supply disruptions (persistent post Brexit, temporary due to China)</li> <li>+ The BoE is expected to raise rates towards 2%</li> <li>- Slowing economic growth post-Brexit</li> </ul> <p>▲ Slightly higher yields expected</p>
<b>Foreign Exchange</b>	<ul style="list-style-type: none"> <li>+ Weak global growth / Safe-haven demand status</li> <li>+ USD interest rate differential vs peers remain significant</li> <li>+ Aggressive Fed tightening</li> <li>- Global political uncertainty to decline</li> </ul> <p>● Broadly Flat USD against G10 FX</p>	<ul style="list-style-type: none"> <li>+ Current account surplus</li> <li>- Still negative interest rates</li> <li>- Global growth risks remain to the downside</li> </ul> <p>● Broadly Flat/Stronger EUR against the USD</p>	<ul style="list-style-type: none"> <li>+ Safe haven demand</li> <li>+ More balanced economic growth recovery (long-term)</li> <li>+ Inflation is bottoming out</li> <li>- Additional Quantitative Easing by the Bank of Japan if inflation does not approach 2%</li> </ul> <p>▲ Slightly higher JPY</p>	<ul style="list-style-type: none"> <li>+ Valuations appear undemanding with REER below its 15-year average</li> <li>- Sizeable Current account deficit</li> </ul> <p>● Broadly stable GBP expected</p>

### Economic Calendar

In the US, the main macro event next week is the labor market report for September, with consensus estimates for the pace of job creation to have eased (albeit at still resilient levels) and for the unemployment rate to have held steady at 3.7%. Wages will also be monitored, *inter alia* due to their implications for inflation prospects. On Wednesday, the ISM Services survey for September will complement data on business confidence.

In the Euro area, August's retail sales will provide information regarding the performance of private consumption (53% of euro area GDP) in Q3:22.

US Nonfarm Payrolls



Source: NBG Research

Economic News Calendar for the period: September 27 - October 10, 2022

Tuesday 27					Wednesday 28					Thursday 29							
US	S	A	P		US	S	A	P		US	S	A	P				
S&P Case/Shiller house price index 20 (YoY)	July	17.1%	-	16.1%	18.7%	Pending home sales (MoM)	August	-1.5%	-	-2.0%	-0.6%	GDP (QoQ, annualized)	Q2:22	-0.6%	-0.6%	-0.6%	
Conference board consumer confidence	September	104.0	+	108.0	103.6							Initial Jobless Claims (k)	September 24	217	-	193	209
Durable goods orders (MoM)	August	-0.3%	+	-0.2%	-0.14%							Continuing Claims (k)	September 19	1388	-	1347	1376
Durable goods orders ex transportation (MoM)	August	0.2%		0.2%	0.2%							<b>UK</b>					
New home sales (k)	August	495	+	685	532							Nationwide House Px NSA YoY	September	..	9.5%	10.0%	
<b>EURO AREA</b>												<b>EURO AREA</b>					
M3 money supply (YoY)	August	5.4%	+	6.1%	5.7%							Business Climate Indicator	September	0.71	+	0.81	0.83
												Economic confidence indicator	September	95.0	-	93.7	97.3
Friday 30					Monday 03												
US	S	A	P		US	S	A	P			S	A	P				
PCE Deflator (YoY)	August	6.0%	+	6.2%	6.4%	ISM Manufacturing	September	52.2	-	50.9	52.8						
PCE Core Deflator (YoY)	August	4.7%	+	4.9%	4.7%	Construction spending	August	-0.3%	-	-0.7%	-0.6%						
Personal income (MoM)	August	0.3%		0.3%	0.3%	<b>JAPAN</b>											
Personal spending (MoM)	August	0.2%	+	0.4%	-0.2%	Tankan - large manufacturers current index	Q3:22	..	8	9							
<b>UK</b>						Tankan - large manufacturers outlook index	Q3:22	..	9	10							
GDP (QoQ)	Q2:22	-0.1%	+	0.2%	-0.1%												
GDP (YoY)	Q2:22	2.9%	+	4.4%	2.9%												
<b>JAPAN</b>																	
Industrial Production (MoM)	August	0.2%	+	2.7%	0.8%												
Industrial Production (YoY)	August	1.4%	+	5.1%	-2.0%												
Retail sales (MoM)	August	..		1.4%	0.7%												
Retail sales (YoY)	August	2.8%	+	4.1%	2.4%												
Construction Orders YoY	August	..		17.9%	2.8%												
Unemployment rate	August	2.5%		2.5%	2.6%												
<b>EURO AREA</b>																	
Unemployment Rate	August	6.6%		6.6%	6.6%												
CPI estimate (YoY)	September	9.7%	+	10.0%	9.1%												
Core CPI (YoY)	September	4.7%	+	4.8%	4.3%												
<b>CHINA</b>																	
Manufacturing PMI	September	49.7	+	50.1	49.4												
Caixin PMI Manufacturing	September	49.5	-	48.1	49.5												
Tuesday 04					Wednesday 05					Thursday 06							
US	S	A	P		US	S	A	P		US	S	A	P				
Trade balance (\$bn)	August	-67.7	..	-70.0		Initial Jobless Claims (k)	October 01	200	..	193							
ISM services	September	55.6	..	56.9		Continuing Claims (k)	September 24	1394	..	1347							
<b>JAPAN</b>						<b>UK</b>											
PMI services	September	50.2	..	49.5		Markit/CIPS UK Construction PMI	September	47.5	..	49.2							
						<b>EURO AREA</b>											
						Retail sales (MoM)	August	-0.7%	..	0.3%							
						Retail sales (YoY)	August	-1.8%	..	0.9%							
Friday 07					Monday 10												
US	S	A	P		CHINA	S	A	P			S	A	P				
Average Hourly Earnings MoM	September	0.4%	..	0.3%		Money Supply M0 (YoY)	September	..	..	14.3%							
Average Hourly Earnings YoY	September	5.1%	..	5.2%		Money Supply M1 (YoY)	September	..	..	6.1%							
Average weekly hours (hrs)	September	34.5	..	34.5		Money Supply M2 (YoY)	September	12.2%	..	12.2%							
Unemployment rate	September	3.7%	..	3.7%		New Yuan Loans (RMB bn)	September	..	..	1250							
Wholesale trade	August	1.0%	..	-1.4%													
<b>GERMANY</b>																	
Industrial Production (sa, MoM)	August	-0.5%	..	-0.3%													
Industrial Production (wda, YoY)	August	..	..	-1.1%													
Retail sales (MoM)	August	-1.0%	..	1.9%													
Retail sales (YoY)	August	-5.1%	..	-5.1%													
<b>JAPAN</b>																	
Coincident Index	August	..	..	100.1													
Leading Index	August	..	..	98.9													

Source: NBG Research  
S: Consensus Analysts Survey, A: Actual Outcome, P: Previous Outcome

**Equity Markets** (in local currency)

Developed Markets		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)	Emerging Markets		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
US	<b>S&amp;P 500</b>	3586	-2.9	-24.8	-16.8	6.6	MSCI Emerging Markets	54180	-2.8	-22.7	-23.7	-12.6	
Japan	<b>NIKKEI 225</b>	25937	-4.5	-9.9	-11.9	11.9	MSCI Asia	815	-3.3	-23.8	-24.8	-16.0	
UK	<b>FTSE 100</b>	6894	-1.8	-6.6	-2.7	17.5	China	58	-2.7	-30.9	-35.2	-41.0	
Canada	<b>S&amp;P/TSX</b>	18444	-0.2	-13.1	-8.1	14.4	Korea	649	-5.4	-28.8	-29.7	-10.7	
Hong Kong	<b>Hang Seng</b>	17223	-4.0	-26.4	-29.9	-26.6	MSCI Latin America	87944	-1.2	-4.7	-7.5	8.5	
Euro area	<b>EuroStoxx</b>	365	-1.0	-23.9	-19.6	3.1	Brazil	303337	-1.0	-1.0	-7.6	2.1	
Germany	<b>DAX 40</b>	12114	-1.4	-23.7	-20.6	-5.1	Mexico	41832	-2.0	-16.2	-12.2	20.6	
France	<b>CAC 40</b>	5762	-0.4	-19.4	-11.6	20.0	MSCI Europe	2128	-4.0	-69.3	-70.7	-58.9	
Italy	<b>FTSE/MIB</b>	20649	-2.0	-24.5	-19.6	8.6	Russia*	1957	-6.3	-48.3	-52.3	-32.6	
Spain	<b>IBEX-35</b>	7367	-2.9	-15.5	-16.3	9.7	Turkey	3280232	-4.1	57.9	108.0	143.2	

**World Market Sectors** (MSCI Indices)

in US Dollar terms		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)	in local currency		Current Level	1-week change (%)	Year-to-Date change (%)	1-Year change (%)	2-year change (%)
Energy		207.4	1.7	18.9	23.2	101.6	Energy		222.9	1.6	25.9	30.7	110.9
Materials		265.7	0.2	-26.2	-19.0	-3.7	Materials		273.7	0.3	-19.8	-11.6	4.7
Industrials		254.5	-2.0	-27.4	-23.3	-3.7	Industrials		271.6	-2.1	-21.7	-16.6	5.2
Consumer Discretionary		298.8	-2.5	-32.3	-26.7	-8.0	Consumer Discretionary		304.0	-2.5	-28.9	-22.5	-2.1
Consumer Staples		242.6	-2.5	-17.3	-9.8	-3.0	Consumer Staples		256.3	-2.7	-12.0	-3.9	3.4
Healthcare		305.7	-0.6	-17.3	-10.9	4.3	Healthcare		312.6	-0.6	-13.9	-7.2	9.0
Financials		113.5	-3.0	-24.0	-21.5	17.4	Financials		119.9	-2.9	-19.4	-16.5	24.3
IT		375.1	-3.8	-34.5	-25.9	-4.7	IT		370.5	-3.8	-33.2	-24.3	-2.4
Telecoms		66.5	-3.0	-37.7	-38.9	-18.5	Telecoms		71.9	-3.0	-35.6	-36.7	-15.3
Utilities		138.3	-7.7	-15.8	-6.8	-2.0	Utilities		148.2	-7.9	-11.5	-1.6	3.6

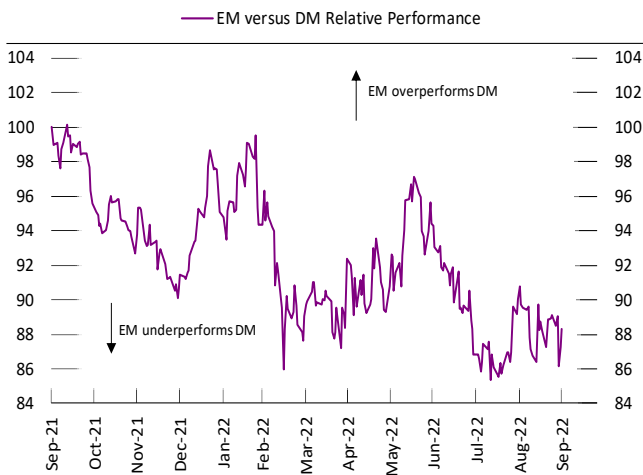
**Bond Markets (%)**

10-Year Government Bond Yields		Current	Last week	Year Start	One Year Back	10-year average	Government Bond Spreads (in bps)		Current	Last week	Year Start	One Year Back	10-year average
US		3.80	3.69	1.51	1.53	2.09	US Treasuries 10Y/2Y		-50	-62	78	123	101
Germany		2.13	2.00	-0.18	-0.19	0.44	US Treasuries 10Y/5Y		-24	-29	25	54	51
Japan		0.24	0.24	0.07	0.07	0.20	Bunds 10Y/2Y		36	11	46	50	82
UK		4.14	3.77	0.97	0.95	1.44	Bunds 10Y/5Y		13	2	28	36	55
Greece		4.79	4.55	1.32	0.85	5.67	Corporate Bond Spreads (in bps)		Current	Last week	Year Start	One Year Back	10-year average
Ireland		2.69	2.59	0.25	0.18	1.42	EM Inv. Grade (IG)		180	164	139	137	191
Italy		4.55	4.27	1.17	0.86	2.21	EM High yield		850	788	618	611	623
Spain		3.31	3.13	0.57	0.46	1.77	US IG		167	151	98	89	133
Portugal		3.17	3.04	0.46	0.35	2.54	US High yield		543	512	310	315	449
US Mortgage Market (1. Fixed-rate Mortgage)		Current	Last week	Year Start	One Year Back	10-year average	Euro area IG		221	198	98	85	118
30-Year FRM <sup>1</sup> (%)		6.52	6.25	3.31	3.10	4.08	Euro area High Yield		625	555	331	304	407
vs 30Yr Treasury (bps)		271.6	259.1	138.9	99.5	134.8							

**Foreign Exchange & Commodities**

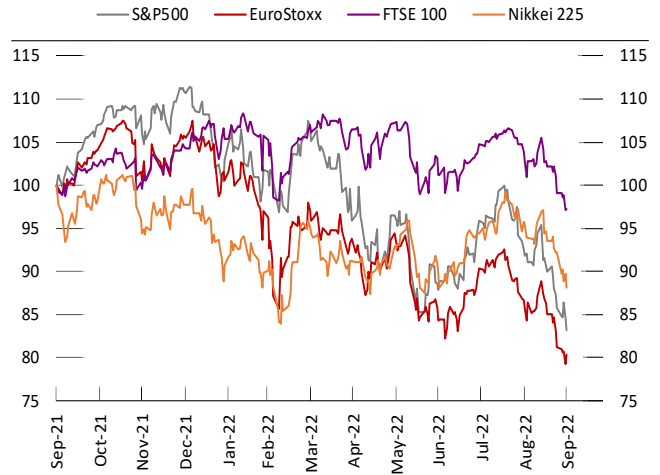
Foreign Exchange		Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)	Commodities		Current	1-week change (%)	1-month change (%)	1-Year change (%)	Year-to-Date change (%)
Euro-based cross rates							Agricultural		479	0.1	0.1	14.9	7.5
EUR/USD		0.98	0.9	-2.6	-15.5	-13.9	Energy		295	0.6	-12.4	13.1	16.9
EUR/CHF		0.96	1.2	-1.7	-10.8	-6.9	West Texas Oil (\$/bbl)		79	1.0	-11.2	5.9	5.7
EUR/GBP		0.88	-1.4	1.6	2.1	4.5	Crude Brent Oil (\$/bbl)		88	2.1	-8.8	12.0	13.1
EUR/JPY		141.80	2.0	1.7	9.7	8.3	HH Natural Gas (\$/mmbtu)		6.8	0.2	-24.2	21.3	77.1
EUR/NOK		10.68	3.7	7.0	5.5	6.5	TTF Natural Gas (EUR/mwh)		189	1.8	-21.3	93.1	168.4
EUR/SEK		10.87	-0.5	1.7	7.2	5.6	Industrial Metals		401	-0.2	-5.9	-14.5	-19.7
EUR/AUD		1.52	2.6	3.9	-5.0	-2.6	Precious Metals		2163	1.0	-2.3	-5.7	-9.5
EUR/CAD		1.35	2.1	2.2	-8.3	-6.3	Gold (\$)		1661	1.0	-3.0	-5.5	-8.8
USD-based cross rates							Silver (\$)		19	0.8	5.7	-14.2	-17.9
USD/CAD		1.37	1.1	4.9	8.5	8.8	Baltic Dry Index		1760	-3.1	82.4	-65.9	-20.6
USD/AUD		1.56	1.7	6.6	12.3	13.1	Baltic Dirty Tanker Index		1477	-1.4	-2.3	135.9	87.9
USD/JPY		144.75	1.0	4.4	29.7	25.7							

EM vs DM Performance in \$



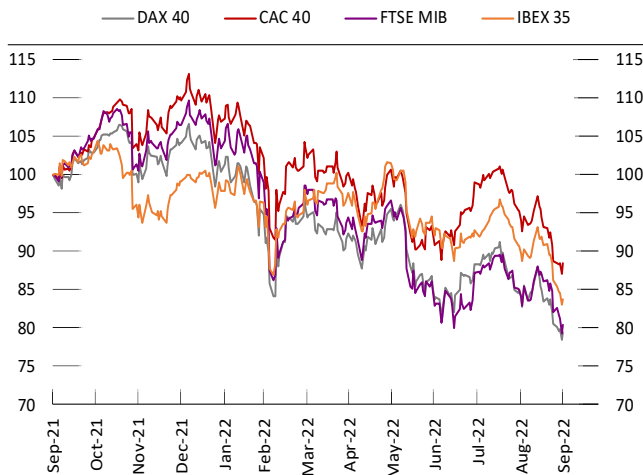
Data as of September 30<sup>th</sup> – Rebased @ 100

Equity Market Performance - G4



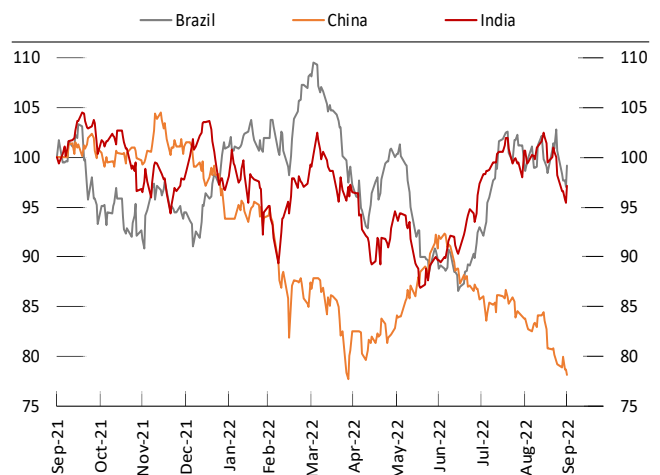
Data as of September 30<sup>th</sup> – Rebased @ 100

Equity Market Performance – Euro Area G4



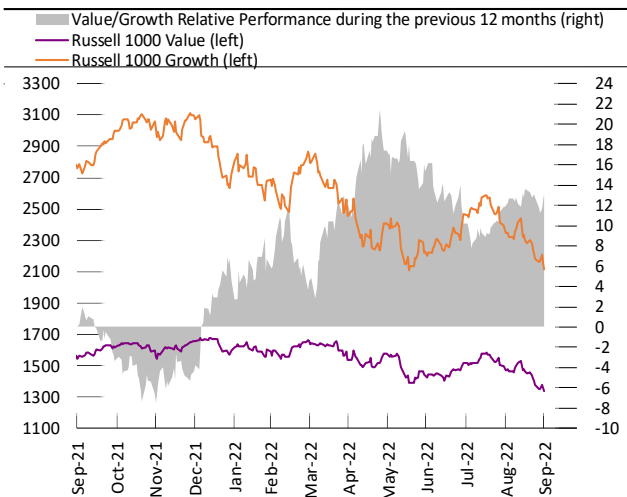
Data as of September 30<sup>th</sup> – Rebased @ 100

Equity Market Performance – Emerging Markets



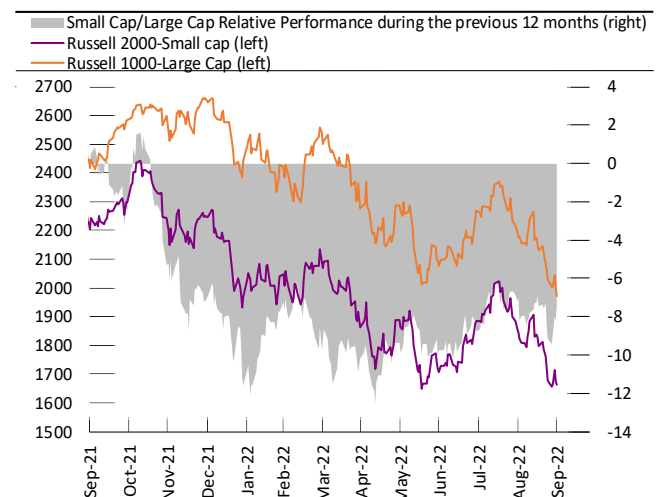
Data as of September 30<sup>th</sup> – Rebased @ 100

Russell 1000 Value & Growth Index



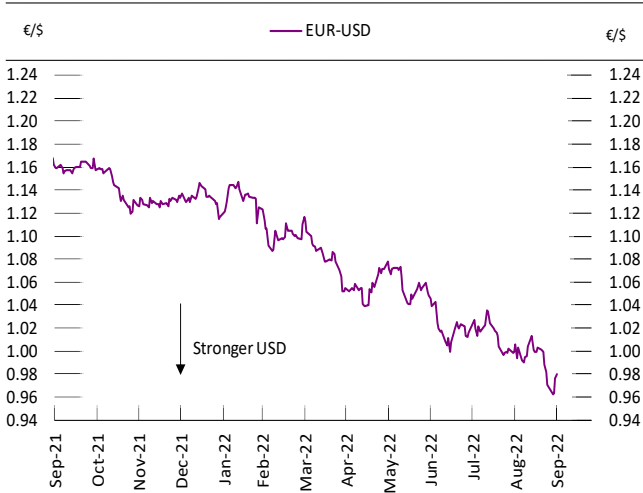
Data as of September 30<sup>th</sup>

Russell 2000 & Russell 1000 Index



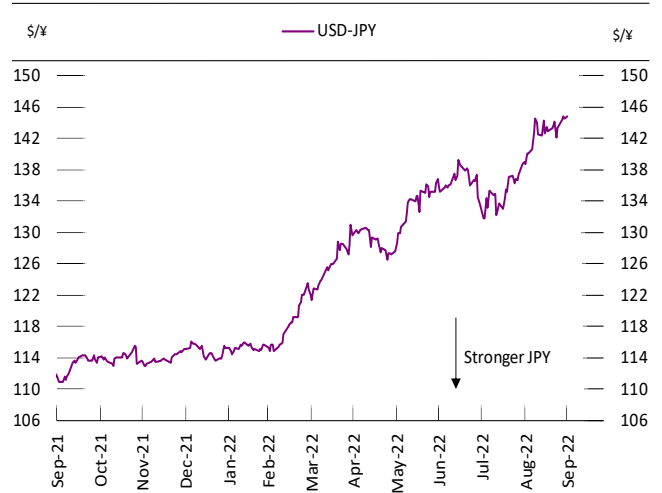
Data as of September 30<sup>th</sup>

### EUR/USD



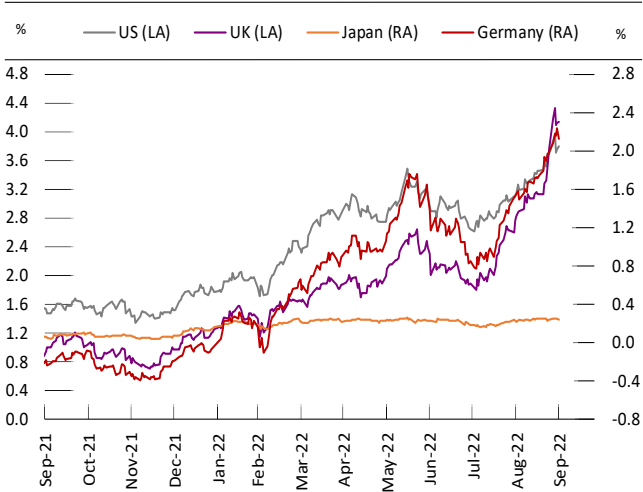
Data as of September 30<sup>th</sup>

### JPY/USD



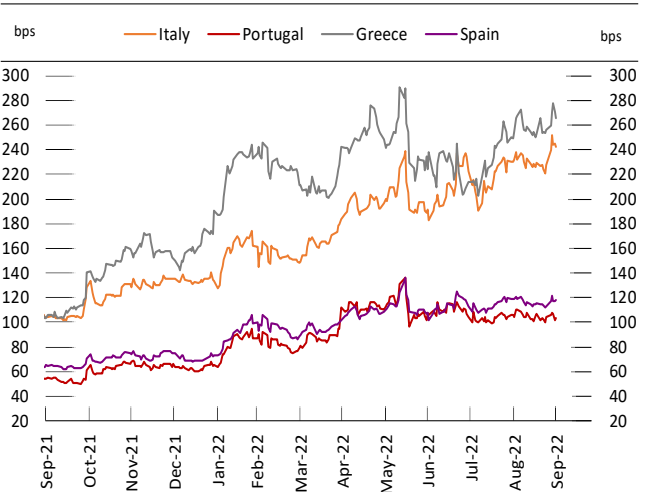
Data as of September 30<sup>th</sup>

### 10- Year Government Bond Yields



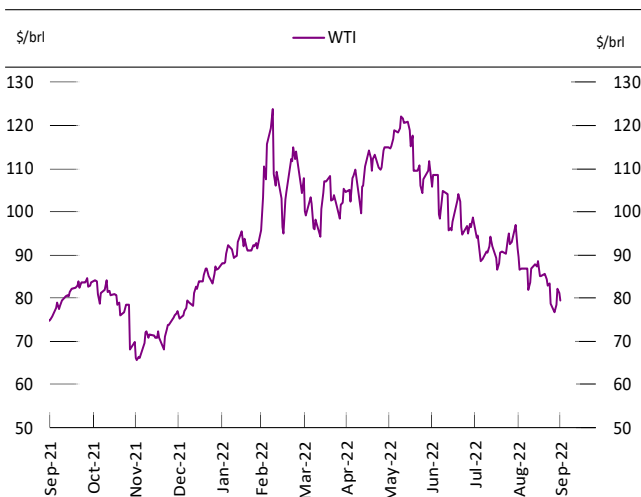
Data as of September 30<sup>th</sup>  
LA:Left Axis RA:Right Axis

### 10- Year Government Bond Spreads



Data as of September 30<sup>th</sup>

### West Texas Intermediate (\$/bbl)



Data as of September 30<sup>th</sup>

### Gold (\$/ounce)



Data as of September 30<sup>th</sup>



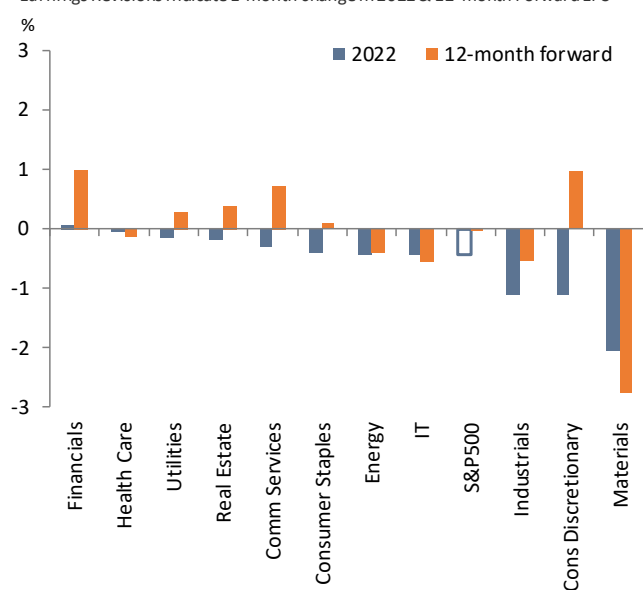
### US Sectors Valuation

	Price (\$)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	30/9/22	% Weekly Change	%YTD	2022	2023	2022	2023	2022	2023	12m fwd	10Yr Avg	2022	2023	Current	10Yr Avg
<b>S&amp;P500</b>	3586	-2.9	-24.8	7.5	8.1	1.8	1.9	16.2	15.0	15.3	17.3	3.5	3.1	3.2	3.0
<b>Energy</b>	553	1.8	30.7	147.0	-12.7	3.8	3.4	7.1	8.2	7.9	15.7	2.0	1.8	1.9	1.7
<b>Materials</b>	428	-0.7	-24.9	13.8	-7.6	2.4	2.5	11.7	12.6	12.4	16.2	2.4	2.2	2.2	2.7
<b>Financials</b>															
<b>Diversified Financials</b>	843	-2.1	-22.9	-11.9	11.0	1.9	2.0	13.9	12.5	12.8	15.0	1.7	1.5	1.6	1.6
<b>Banks</b>	297	-3.4	-28.9	-16.6	16.0	3.5	3.8	9.2	7.9	8.2	11.5	1.0	0.9	0.9	1.1
<b>Insurance</b>	513	-1.6	-6.8	-2.6	16.2	2.2	2.4	13.2	11.3	11.8	11.8	1.8	1.6	1.6	1.3
<b>Real Estate</b>	226	-3.9	-30.4	10.8	6.3	3.6	3.9	16.4	15.4	15.7	18.8	2.7	2.8	2.8	3.3
<b>Industrials</b>															
<b>Capital Goods</b>	709	-2.4	-20.4	18.1	17.9	2.0	2.2	17.1	14.5	15.2	17.3	3.9	3.5	3.6	4.0
<b>Transportation</b>	818	-2.8	-27.5	118.0	16.5	2.2	2.4	14.2	12.2	N/A	14.0	4.7	4.0	4.2	4.2
<b>Commercial Services</b>	457	-1.7	-16.0	8.3	10.6	1.1	1.2	26.0	23.5	24.1	22.8	5.5	5.0	5.1	4.1
<b>Consumer Discretionary</b>															
<b>Retailing</b>	2968	-0.3	-29.8	-36.8	53.0	0.8	0.9	37.7	24.7	28.0	27.6	10.5	8.5	9.0	9.3
<b>Consumer Services</b>	1119	-3.0	-25.9	12407.8	127.3	1.4	1.5	45.2	19.9	N/A	35.8	57.1	38.4	N/A	11.8
<b>Consumer Durables</b>	291	-9.6	-45.5	7.7	-7.3	2.2	2.3	9.5	10.3	10.1	17.0	2.4	2.1	2.2	3.4
<b>Automobiles and parts</b>	141	-4.4	-29.0	27.6	17.6	0.2	0.3	29.0	24.6	N/A	16.0	5.4	4.6	4.8	2.8
<b>IT</b>															
<b>Technology</b>	2577	-7.0	-24.5	6.7	5.2	1.0	1.0	19.7	18.7	18.9	15.7	14.1	12.2	12.7	6.9
<b>Software &amp; Services</b>	2680	-2.3	-31.2	11.9	13.4	1.1	1.1	22.6	19.9	20.6	21.7	7.1	6.0	6.2	6.3
<b>Semiconductors</b>	1480	-4.1	-43.7	0.3	2.5	1.9	2.1	14.1	13.7	13.8	15.6	3.7	3.4	3.5	3.9
<b>Communication Services</b>	162	-3.0	-39.4	-11.7	16.1	1.0	1.1	15.3	13.1	13.7	19.1	2.5	2.3	2.4	3.2
<b>Media</b>	627	-3.0	-42.1	-10.6	17.9	0.3	0.4	17.0	14.5	15.1	22.6	3.0	2.7	2.8	3.7
<b>Consumer Staples</b>															
<b>Food &amp; Staples Retailing</b>	598	-0.4	-14.8	0.8	8.4	1.7	1.7	21.1	19.5	19.9	18.5	4.5	4.1	4.2	3.7
<b>Food Beverage &amp; Tobacco</b>	764	-4.2	-6.5	3.2	6.0	3.4	3.5	18.0	16.9	17.2	18.5	4.7	4.4	4.5	5.0
<b>Household Goods</b>	732	-6.8	-25.0	-1.4	6.9	2.7	2.9	22.5	21.1	21.4	21.6	8.7	8.3	8.4	6.9
<b>Health Care</b>															
<b>Pharmaceuticals</b>	1142	-1.0	-12.1	4.8	-5.5	2.1	2.2	13.5	14.3	14.1	15.4	4.8	4.3	4.4	4.4
<b>Healthcare Equipment</b>	1666	-1.9	-16.8	3.3	7.8	1.3	1.3	17.8	16.5	16.9	17.0	3.5	3.2	3.3	3.0
<b>Utilities</b>	333	-8.8	-8.6	4.6	5.0	3.3	3.4	18.5	17.6	17.8	17.4	2.0	1.9	2.0	1.8

Blue box indicates a value more than +2standard deviation from average, light blue a value more than +1standard deviation from average. Orange box indicates a value less than -2standard deviation from average, light orange a value less than -1standard deviation from average

### 1-month revisions to 2022 & 12-month Forward EPS

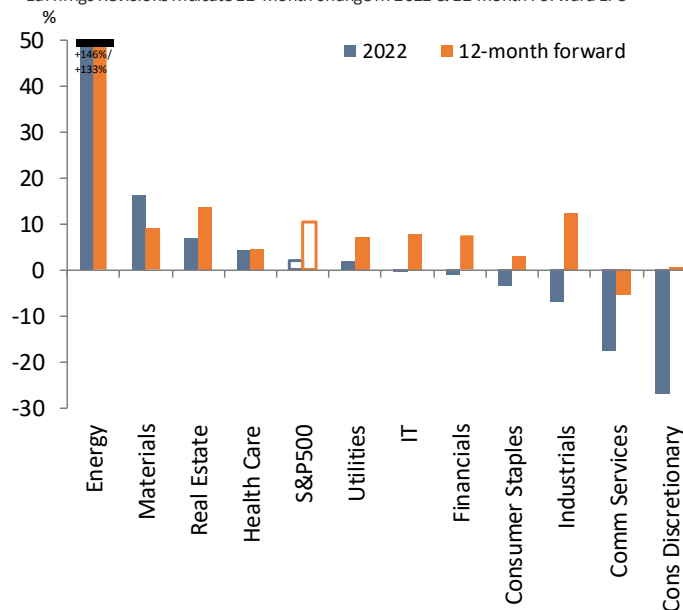
Earnings Revisions indicate 1-month change in 2022 & 12-month Forward EPS



Data as of September 30<sup>th</sup>  
12-month forward EPS are 25% of 2022 EPS and 75% of 2023 EPS

### 12-month revisions to 2022 & 12-month Forward EPS

Earnings Revisions indicate 12-month change in 2022 & 12-month Forward EPS



Data as of September 30<sup>th</sup>  
12-month forward EPS are 25% of 2022 EPS and 75% of 2023 EPS

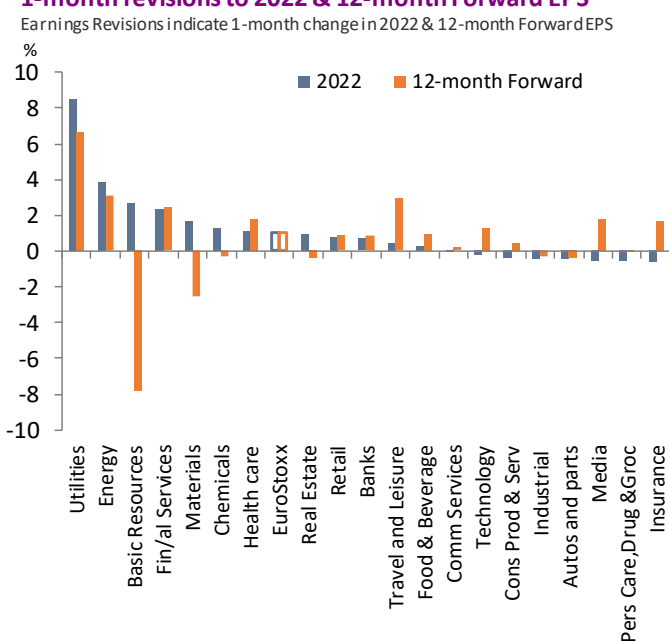
National Bank of Greece | Economic Research Division | Global Markets Analysis

### Euro Area Sectors Valuation

	Price (€)			EPS Growth (%)		Dividend Yield (%)		P/E Ratio				P/BV Ratio			
	30/9/22	% Weekly Change	%YTD	2022	2023	2022	2023	2022	2023	12m fwd	10Yr Avg	2022	2023	Current	10Yr Avg
<b>EuroStoxx</b>	365	-1.0	-23.9	13.7	5.6	3.7	3.9	11.5	10.8	11.0	14.7	1.4	1.3	1.3	1.5
<b>Energy</b>	289	2.9	0.2	138.9	-18.5	5.5	5.7	4.2	5.2	4.9	13.0	1.0	0.9	0.9	1.2
<b>Materials</b>	834	0.4	-20.0	15.9	-25.8	3.5	3.5	9.0	12.2	11.4	15.7	1.4	1.3	1.4	1.7
<b>Basic Resources</b>	200	-0.6	-19.6	14.3	-51.0	3.7	3.9	3.2	6.5	5.7	9.9	0.5	0.5	0.5	0.8
<b>Chemicals</b>	1214	0.5	-20.1	18.5	-11.5	3.5	3.4	12.4	14.0	13.6	16.8	1.9	1.8	1.8	2.2
<b>Financials</b>															
<b>Banks</b>	79	-5.5	-21.8	6.3	4.8	7.5	7.9	6.3	6.0	6.1	9.9	0.5	0.5	0.5	0.7
<b>Insurance</b>	259	-3.7	-15.2	-5.4	22.3	6.5	6.9	9.1	7.4	7.9	9.7	1.0	0.9	0.9	0.9
<b>Financial Services</b>	473	1.3	-18.2	7.3	1.3	3.8	4.0	13.2	13.0	13.1	16.1	1.4	1.3	1.3	1.3
<b>Real Estate</b>	125	0.2	-44.1	6.2	3.6	7.0	7.9	9.7	9.3	9.4	17.0	0.5	0.5	0.5	1.0
<b>Industrials</b>															
<b>Industrial Goods &amp; Services</b>	833	0.9	-28.9	16.6	13.7	2.7	3.1	15.5	13.6	14.1	17.4	2.2	2.0	2.0	2.6
<b>Construction &amp; Materials</b>	410	-0.6	-24.5	-5.3	3.2	4.3	4.6	10.4	10.1	10.2	14.8	1.3	1.2	1.3	1.5
<b>Consumer Discretionary</b>															
<b>Retail</b>	410	1.0	-40.8	-5.4	7.2	5.1	5.5	17.3	16.2	16.5	26.1	3.4	3.3	3.3	5.6
<b>Automobiles and parts</b>	457	-3.6	-27.5	6.6	-2.5	7.1	6.6	4.6	4.7	4.7	8.0	0.7	0.6	0.6	1.0
<b>Travel and Leisure</b>	158	1.5	-18.2	N/A	56.7	1.2	1.4	22.9	14.6	N/A	N/A	1.9	1.8	1.8	2.2
<b>Consumer Products &amp; Services</b>	390	0.1	-26.0	9.2	13.2	1.8	2.0	25.0	22.1	22.8	24.8	5.3	4.7	4.9	4.1
<b>Media</b>	237	1.1	-17.1	16.8	17.2	2.6	2.9	19.1	16.3	17.0	18.4	2.5	2.4	2.4	2.1
<b>Technology</b>	637	0.3	-35.1	-1.7	24.8	1.3	1.4	21.4	17.1	18.2	21.9	3.0	2.7	2.8	3.7
<b>Consumer Staples</b>															
<b>Food, Beverage &amp; Tobacco</b>	160	0.1	-16.6	17.7	10.2	2.0	2.4	17.6	16.0	16.4	20.1	1.9	1.8	1.8	2.6
<b>Personal Care, Drug &amp; Grocery</b>	160	-2.5	-20.5	1.3	7.8	2.7	2.9	14.9	13.8	14.1	17.6	2.1	2.0	2.0	2.3
<b>Health care</b>	715	0.2	-23.4	9.5	6.9	2.6	2.8	14.0	13.1	13.3	16.7	1.8	1.7	1.7	2.3
<b>Communication Services</b>	254	-3.5	-11.9	23.0	8.7	4.5	4.8	13.6	12.5	12.7	15.3	1.3	1.3	1.3	1.7
<b>Utilities</b>	312	-5.8	-20.8	-49.9	98.6	4.9	5.4	23.4	11.8	14.7	14.1	1.5	1.4	1.4	1.2

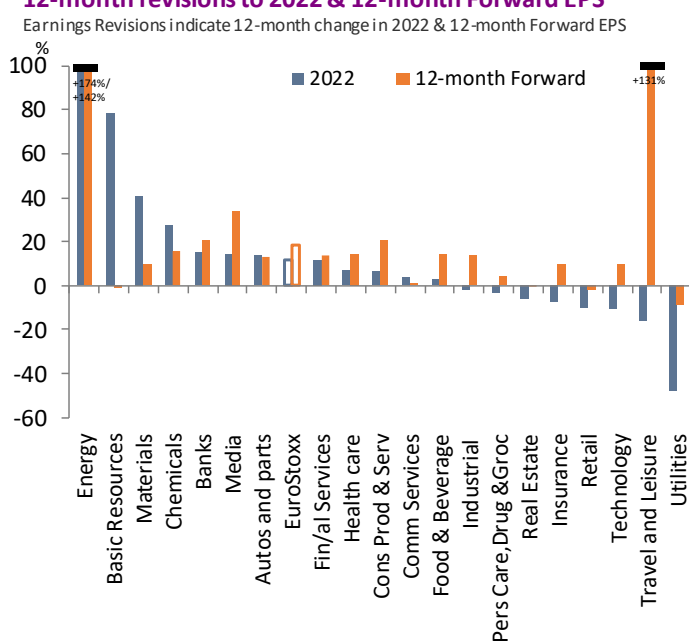
Blue box indicates a value more than +2standard deviation from average, light blue a value more than +1standard deviation from average. Orange box indicates a value less than -2standard deviation from average, light orange a value less than -1standard deviation from average

### 1-month revisions to 2022 & 12-month Forward EPS



Data as of September 30<sup>th</sup>  
12-month forward EPS are 25% of 2022 EPS and 75% of 2023 EPS

### 12-month revisions to 2022 & 12-month Forward EPS



Data as of September 30<sup>th</sup>  
12-month forward EPS are 25% of 2022 EPS and 75% of 2023 EPS

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